



MARITIME SAFETY COMMITTEE  
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Agenda item 17

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## **PREVENTION AND SUPPRESSION OF ACTS OF TERRORISM AGAINST SHIPPING**

### **Container Security – U.S. Customs Container Security Initiative (CSI)**

**Submitted by the United States**

#### **SUMMARY**

**Executive summary:** This document provides the United States risk-based assessment of ocean going containers and introduces the U.S. Customs Service's Container Security Initiative (CSI)

**Action to be taken:** Paragraph 12

**Related documents:** MSC 75/17/1

1 The intersessional meeting of the MSC Working Group on Maritime Security (ISWG) which met from 11-15 February 2002 considered a comprehensive set of proposals to improve maritime security submitted by the United States. One of these proposals was to address the issue of container security. During the discussion on container security, the United States briefly discussed the risk assessment program used by the U.S. Customs Service to screen container importations entering the U.S. The following is a discussion of that program and a proposed course of action for IMO on this matter.

2 The United States Customs Service cannot inspect each and every shipment of goods that enters or exits the United States. To do so would cripple the flow of trade. And so, to protect our nation - - to sift the needles of "high-risk" cargo from the vast haystack of legitimate trade - - the U.S. Customs Service employs a systematic process based upon the principles of risk management. This process involves data collection and analysis by personnel assigned to special targeting teams. U.S. Customs officers use various computerized enforcement systems such as the Treasury Enforcement Communications System (TECS), the Automated Commercial System (ACS), and the Automated Targeting System (ATS), to mine the U.S. Customs databases of information on incoming people and goods. The U.S. Customs Service combines that electronic targeting with years of experience and old-fashioned intuition, to identify trends and pick up the "red flags," the anomalies in data. Using this analysis, the Customs Service makes informed, risk-based decisions on what to screen, target, and, when appropriate, examine the trucks, railcars and sea containers that pose the most significant threat to our nation. To further enhance and improve this system, the U.S. Customs Service is working with industry to perfect the advanced collection of electronic, formatted information that will allow both better targeting and more efficient trade facilitation.

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3 Thus, what has been incorrectly characterized as random selection is actually a sophisticated risk management approach to targeting. Through this risk management approach, which includes advance manifest and entry information, automated data collection and targeting, and a layered screening and examination methodology aided by non-intrusive technology, the U.S. Customs Service is inspecting the highest risk commercial sea cargo shipments that might contain contraband or other products affecting the health, safety and economic well being of our citizens and indeed the world.

4 Through this processing methodology, the U.S. Customs Service has continually demonstrated its ability to produce enforcement successes. For example, last year the U.S. Customs Service accounted for the seizure of over 1.7 million pounds of illicit narcotics and the interdiction of over \$161 million in illicit narcotics proceeds, while at the same time facilitating the movement of over \$1.2 trillion dollars worth of global trade. This demonstrates a country's ability to identify and secure illicit products within the flow of global trade while ensuring the continued flow of legitimate merchandise that is the cornerstone of a nation's economic prosperity.

5 Since the events of September 11<sup>th</sup>, the rules have changed. The U.S. Customs Service is no longer satisfied with conducting examinations solely at the port of entry. To deal with potential threats, such as the smuggling of a weapon of mass destruction, we must work with our foreign counterparts to screen containers earlier in the importation process.

6 Therefore, the U.S. Customs Service has initiated the Container Security Initiative. The U.S. Customs Container Security Initiative (CSI), proposed by U.S. Customs Commissioner Bonner in a January 17, 2002, speech given in the United States at the Center for Strategic and International Studies, would secure an indispensable, but vulnerable, link in the chain of global trade: the oceangoing sea container. Ensuring the security of the maritime trade system is essential, given that approximately 90% of the world's cargo moves by container.

7 The CSI consists of four core elements. These are: (1) establishing security criteria to identify high-risk containers; (2) pre-screening those containers identified as high-risk before they arrive at U.S. ports; (3) using technology to quickly pre-screen high-risk containers; and (4) developing and using smart and secure containers. The fundamental objective of the CSI is to first engage the ports that send the highest volumes of container traffic into the United States, as well as the governments in these locations, in a way that will facilitate detection of potential problems at their earliest possible opportunity.

8 A critical element in the success of this program will be the availability of advance information to perform sophisticated targeting. The ability to exchange importation/exportation and shipping data, then analyze that data through the various methods of electronic risk assessment prior to containers being shipped, will help ensure the earliest possible detection of high risk containers and allow countries to take appropriate measures.

9 As a first step, U.S. Customs has identified the top 10 "mega-ports" that send containers to the United States, and is in the process of contacting the governments in these locations to solicit their participation in the CSI. These locations were identified based on their volume of sea container traffic destined for the U.S.; however, the CSI approach is not something that must be restricted to only these locations. Risk assessments and trade analysis will play an important part in future deployments, and increased security measures are vital to the operations of any port in today's environment.

10 The U.S. Customs Service realizes that this pre-screening presents clear benefits to U.S. security, but early targeting of high-risk containers would also be of great value to the foreign ports that participate in the CSI. First and foremost, it would substantially reduce the risk of a catastrophic event involving the use of seagoing containers, which would completely paralyze maritime trade and the national economies that depend on this trade. Moreover, if an incident were to occur, ports participating in the CSI would be well positioned to resume operations quickly and with the confidence of the trade community. Finally, a more secure maritime trade infrastructure would help ensure the continued smooth flow of merchandise through seaports. Ports that implement increased security and pre-screening would become more attractive locations to those companies that depend on timely movement of merchandise. Under normal circumstances, those shipments not presenting identifiable risks would clear Customs rapidly, taking full advantage of the facilitative mechanisms that U.S. Customs employs.

11 Furthermore, it is important to note that although the discussion thus far has focused on containers moving through ports, container security should begin at the earliest possible point, the point at which the container is filled. Therefore all countries, whether they have a seaport or not, can participate in the CSI and benefit from the increased security, targeting and flow of goods that will result from full implementation of this Initiative. All countries should adopt the principles of the CSI and actively participate in container prescreening at their point of origin, data sharing and increase security methods to ensure the integrity of the container throughout its international route.

#### **Action requested of the Committee**

12 Therefore, the United States recommends that the Maritime Safety Committee endorses the U.S. Customs Service CSI and recommends that other countries consider developing a similar system in their country. The U.S. further recommends that the IMO support the CSI as a subject of discussion with WCO and encourage the WCO to expeditiously move this concept forward within the world's customs organizations.

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